



ACCESS TO DECENT AND AFFORDABLE HOUSING IN EUROPE:
CASE STUDIES AND INNOVATIVE SOLUTIONS

UPCYCLING BUILDINGS

CONVERTING MULTI-UNIT
NON-RESIDENTIAL BUILDINGS
INTO PERMANENT HOUSING
FOR THOSE IN NEED

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CONTENTS

INTRODUCTION: FLAWS IN CONGREGATE EMERGENCY ACCOMMODATION HIGHLIGHTED BY THE PANDEMIC	4
I. THE CRITERIA FOR SUCCESS: THREE CRITERIA FOR A SUCCESSFUL CONVERSION	9
1. Setting the project within strong partnerships and a coherent housing policy	9
2. Financial feasibility: studying the investment opportunity and planning the financial model	11
3. Focusing on the views and needs of beneficiaries: the profile of future residents is key	13
II. THE CHALLENGES OF TRANSITIONING FROM EMERGENCY TO LONG-TERM HOUSING	16
1. Overcoming legal and technical barriers	16
2. The risk of deregulation, and its implications for quality	18
3. Social obstacles: 'Not In My Backyard'	18
CONCLUSIONS AND RECOMMENDATIONS	20

INTRODUCTION: FLAWS IN CONGREGATE EMERGENCY ACCOMMODATION HIGHLIGHTED BY THE PANDEMIC

In 2020, the coronavirus pandemic forced public authorities to act fast to provide shelter for homeless people and to curb evictions. Many European cities were forced to act as a matter of urgency. A Médecins Sans Frontières study of 818 people across 14 of the NGO's sites in the Paris region was carried out between 23 June and 2 July 2020. This study demonstrated the effects of overcrowding in reception centres for vulnerable people. It showed that the virus spread more in situations with the greatest levels of overcrowding e.g. where people had to share rooms, showers and kitchen facilities with several other people.¹ To mitigate the risks posed by these potential virus hotspots, use of individualised accommodation has increased significantly.

These emergency solutions have shown how effective government intervention can be when the political will is there. As a result, all across Europe, hotel rooms, vacant private buildings, and modular units have been used to house tens of thousands of homeless people. A November 2020 report by the University of Washington on 'The Impact of Hotels as Non-Congregate Emergency Shelters during the Pandemic'² identifies the positive results of an initiative in King County, Washington. Since April 2020, 1,000 homeless people in the area have been transferred from seriously crowded emergency accommodation centres to hotel rooms.

The results included limiting the spread of Covid-19 as well as several benefits for users e.g. residential stability and feeling at home, increased engagement with staff, improvements in health, wellbeing and safety, reduction in interpersonal conflicts, greater focus on future goals, etc. The report also highlights the senselessness of returning to overcrowded emergency shelters and the need to find new approaches.³

Emergency accommodation is very costly.⁴ Investing in long-term housing solutions thus offers an attractive and positive economic alternative for public authorities, although the lead-time for acquisition and/or development can be long. While social housing units are most suitable for housing people in a dignified and sustainable manner, it is possible – and indeed desirable – to identify complementary solutions such as using and converting other multi-unit non-residential structures.

These projects require major investment and radical intervention in terms of structural modifications and remodelling, legal and administrative provisions, planning permission, designating the building as residential rather than commercial, meeting standards for fire safety and accessibility, not to mention gaining acceptance from the local community.

1 See [in French] <https://www.msf.fr/communiqués-presse/covid-19-une-enquête-épidémiologique-revèle-une-sur-contamination-dans-des-lieux-de-regroupement-de-personnes-en-grande>

2 Impact of Hotels as Non-Congregate Emergency Shelters FULL REPORT An analysis of investments in hotels as emergency shelter in King County, WA during the COVID-19 pandemic <https://depts.washington.edu/urbanuw/news/final-report-impact-of-hotels-as-non-congregate-emergency-shelters/>

3 See FEANTSA & Fondation Abbé Pierre (2019), 'Oversubscribed, Insecure and Unsuitable: Emergency Accommodation in Europe', *Fourth Overview on Housing Exclusion in Europe 2019*, pp. 9-57, available at: <https://www.feantsa.org/en/report/2019/04/01/the-fourth-overview-of-housing-exclusion-in-europe-2019?bcParent=27>

4 Ibid.

FOCUS ON LOCAL SITUATIONS: LARGE-SCALE PROVISION OF ACCOMMODATION DURING THE PANDEMIC IN ENGLAND, BELGIUM, AND FRANCE

In **England**, the 'Everyone In' programme enabled St Mungo's, an NGO, to manage the emergency accommodation of 3,600 people in 32 hotels in the south of England. Through this programme, 1,357 of the people concerned went on to access stable and permanent housing. The full 'Everyone In' plan enabled 33,000 homeless people to be temporarily provided with individual accommodation, hotels, and hostels between March and November 2020. According to a medical paper, these measures prevented an estimated 21,000 infections and 266 deaths.⁵ Of the people accommodated through these measures, 70% of them (23,273 people) were supported out of homelessness, either towards long-term housing (social or on the private rental market) or towards supported housing, while 30% of those accommodated (9,866 people) have had to stay in hotels and other forms of temporary accommodation.⁶ However, the government is struggling to maintain its efforts over the long term and the number of rough sleepers has recently started to increase again.

In **Brussels**, more than 5,300 people were counted as homeless on one night in 2020, of whom 719 were rough sleeping. With the onset of the pandemic in March 2020, emergency shelters were faced with the added difficulty of managing the additional requirement of ensuring social distancing in their services and quarantining those with symptoms. Alongside this came the significant drop in tourism enabling hotels to be used for accommodation purposes. At the beginning of June 2020, 11 hotels were being used and 841 people were being accommodated, at no cost to the service user and with no conditions attached. Some hotels have focused on specific demographic groups with one being used for families, one for women, one for female victims of domestic violence, and two for migrants in transit. The majority of people accommodated were women.

As in many other cities, **Lyon** metropole, which has a homeless population estimated at 18,500 people including 2,500 rough sleepers, urgently rolled out its temporary accommodation programme to accommodate up to 2,000 people. At the end of the first lockdown and state of emergency, the State, Lyon Metropole, NGOs and housing corporations worked together to launch the "**Zéro retour à la rue**" plan ['No return to the streets'], based on expediting 500 social housing units (80 per month, compared to 20 per month for the first part of the year) and increasing the supply of temporary and supported housing for those who cannot access social housing (boarding houses, group living facilities, private apartments, modular housing, etc.).

5 The Lancet (2020), 'COVID-19 among people experiencing homelessness in England: a modelling study', available at: [https://www.thelancet.com/journals/lanres/article/PIIS2213-2600\(20\)30396-9/fulltext#seccesstitle10](https://www.thelancet.com/journals/lanres/article/PIIS2213-2600(20)30396-9/fulltext#seccesstitle10)

6 UK National Audit Office (2021), *Investigation into the housing of rough sleepers during the COVID-19 pandemic*, p. 21, available at: <https://www.nao.org.uk/wp-content/uploads/2021/01/Investigation-into-the-housing-of-rough-sleepers-during-the-COVID-19-pandemic.pdf>

The Housing First policies implemented in Europe and in the United States over the last twenty years have proved their worth and give an indication of the many social benefits of converting congregate accommodation centres into long-term housing units, particularly for homeless people with significant support needs.⁷ These conversions have:

- Provided greater stability for residents by enabling them to access and maintain common-law housing. According to an international study carried out in 2008, between 40% and 60% of homeless people with high support needs left so-called 'staircase' services or were excluded from them before managing to be rehoused. This is in strong contrast with the situation of Housing First services where over 80% of users maintain themselves in their housing for at least one year.⁸

- Positively influenced the health and wellbeing of residents. According to the **Housing First England** study carried out in 2015, 63% of users reported an improvement in their physical state and 66% reported a reduction in their mental health problems.⁹
- Enabled social integration through social support as well as improving self-esteem, integration into society, and economic integration.

What are the steps to take when converting multi-unit buildings and what pitfalls should be avoided to successfully complete these projects, in order to provide dignified housing that addresses the needs of residents? This is the question that FEANTSA and the Foundation Abbé Pierre, in partnership with the Council of Europe Development Bank (CEB), decided to address in this new paper. This is also relevant to the current economic situation which may lead to a significant number of new households becoming homeless and makes identifying housing solutions for the most disadvantaged all the more important.

⁷ See Housing First Europe Hub, 'The Evidence for Housing First', *Housing First Guide Europe*, available at: <https://housingfirsteurope.eu/guide/what-is-housing-first/the-evidence-for-housing-first/>

⁸ Place, N. (2008), *Effective Services for Substance Misuse and Homelessness in Scotland: Evidence from an International Review* Edinburgh: Scottish Government <https://www.york.ac.uk/media/chp/documents/2008/substancemisuse.pdf>

⁹ Bretherton, J. et Place, N. (2015) *Housing First in England: An Evaluation of Nine Services* <https://www.york.ac.uk/media/chp/documents/2015/Housing%20First%20England%20Report%20February%202015.pdf>

FINLAND'S HOUSING FIRST PROGRAMME, A PIONEER IN TRANSFORMING CONGREGATE EMERGENCY ACCOMMODATION INTO LONG-TERM HOUSING

In February 2008, the Finnish government adopted the broad principles and provisions of its current programme to combat homelessness, based on Housing First principles. This programme is notable for its ambition (complete elimination of long-term homelessness), which is based on a complete change in paradigm by prioritising prevention, by buying apartments to accommodate homeless people, by increasing the supply of social housing, and by converting traditional shelters into permanent housing. The majority of Housing First units in Finland are dispersed throughout the community in different areas and municipal buildings. However, converting existing emergency shelters has also played a significant role in implementing the national programme.

Alppikatu 25, a night shelter managed by the Salvation Army, was one of the first to follow this model of converting a large emergency accommodation centre into individual housing units. The shelter has been operating since 1937 and since its very first night has been accommodating over 400 men. In the 1970s, the 80-bed dormitories were converted into bedrooms for one to six people. Each floor shared a washroom, bathroom and kitchen. The shelter's capacity was thus reduced to 276 beds. It was not a safe place. The consumption of psychoactive substances was banned and people in an inebriated state were not permitted entry. Residents had to arrive before midnight, and many of those who were in an inebriated state, or late, had to spend the night elsewhere. In 2009, the Salvation Army decided to convert the shelter into supported housing. The renovation costs, amounting to over EUR 10 million, were partly financed by a low-interest state loan. In January 2011, the 18-month renovation began, creating 81 apartments. Operation under Housing First principles started at the end of 2012 when 85 residents each signed a rental contract. During the closure for renovations, of the 236 Alppikatu residents, 66 entered Salvation Army supported housing, 27 entered supported housing run by the Helsinki Deaconess Institute, 56 were taken into halfway houses, 9 were housed in council-owned rented apartments, 28 were in temporary accommodation and reception centres for asylum seekers, and 50 found housing by themselves or had left the shelter before it closed.

Since 2012, each resident has had an apartment with a bathroom, kitchen and basic furniture (bed, chair, table, curtains, bedlinen, and dishes). Residents pay rent, as well as furniture and electricity costs. Residents can also use the communal sauna, gym, the four laundries, a café, and a games room with television, dartboard, pool table and ping-pong table. According to those involved in the project, this was not simply a renovation but rather a transformation in how they approached homelessness.

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The following six conditions were central to planning the conversion.

1. A **common goal** was adopted as a guideline for the transformation, namely providing solutions that are more tailored to the individual.
2. The transformation was **implemented gradually**. Changes in the emergency shelter's practices were initiated before the renovation started, by including residents in the social aspects and in modifying the rules, which would no longer focus solely on prohibitions but also on rights, followed by responsibilities.
3. **Residents were included**. Residents could play a part in planning and implementing the transformations, by suggesting acquisitions and repairs and received a small sum of money for carrying them out. Information sessions were organised for residents and staff to work together on planning the future supported housing. A floor warden was nominated amongst the residents to teach new arrivals the house rules and to help them adapt to the unit.
4. **Exit policies were reviewed**. In the event of rules being broken, adapted support for the resident was offered along with tailored solutions, as an alternative to eviction.
5. **Teams were formed**. Staff were encouraged to follow specialised supplementary training, a condition of getting a job in the new structure.
6. **New employees were hired**. The transformation was mainly carried out by the existing staff. There have subsequently been staff changes through natural attrition, e.g. when a concierge retired, a licensed nursing assistant was hired as replacement.

I. THE CRITERIA FOR SUCCESS: THREE CRITERIA FOR A SUCCESSFUL CONVERSION

The first step in a renovation project is to state the **objectives** and study the **feasibility**. As part of this, the interests of the project promoters and the future residents must be combined. Two factors must therefore be taken into account:

- The **financial, technical, and administrative criteria** of the project, enabling the **renovation potential** of the building to be analysed alongside the risks
- **The quality criteria for the end users** that enable the building's potential to be analysed in terms of addressing future residents' needs, with details of the costs involved

University studies have provided ways to analyse these two factors. Geraedts and van der Voordt (2003) developed an evaluation grid for the feasibility of converting office buildings into housing. This grid is based on a series of 16 criteria mainly focused on the building's location (access to public transport, distance from services, housing market in the area, etc.) and to its state (year of construction, size, structure, condition of the fittings, number of floors, exposure to natural light, etc.).

However, before expanding on these criteria, a vital precondition to converting non-residential multi-unit buildings into permanent housing must be mentioned, namely demonstrating that the project is being developed in a favourable environment with positive, dynamic partnerships.

1. Setting the project within strong partnerships and a coherent housing policy

In order to align the interests of each stakeholder in the conversion project and to ensure all efforts are being directed towards the same objectives, it is necessary to:

- Clearly identify all partners, by having **competent bodies responsible for distinct aspects of the project**, by ensuring **end users** are positioned on an equal footing with other stakeholders from the outset of the project, and by convincing unconventional partners to get involved for greater impact as was the case with **RAY (Finland's slot machine association)** which contributed EUR 65 million to financing the country's Housing First policy between 2012 and 2015.¹⁰
- **Include NGOs and public authorities** in developing and implementing these projects, to avoid risk of speculation and commercial gain by free market operators who are akin to slumlords.¹¹
- **Clearly define the responsibilities** of each partner, by ensuring a **separation between support and housing**: in order for the resident to benefit from genuine housing stability, one cannot be conditional upon the other.

The '**National Low Income Housing Coalition**' in the United States is a coalition solely focused on establishing a public policy that guarantees people on the lowest incomes in the United States have affordable and decent housing. Based on their expertise in crisis management, the coalition notes that before starting a project for the acquisition and conversion of multi-unit buildings, it is vital to fit the project into a wider strategy focused on **inclusion in the community**.

¹⁰ See Y-Foundation (2018), *A Home of Your Own Handbook*, pp. 74-75, available at: <https://ysaatio.fi/en/housing-first-finland/a-home-of-your-own-handbook>

¹¹ The issue of urban deregulation whereby standards in urban planning, the environment, and housing quality can be bypassed should be taken into account. Conversion projects may be used as Trojan horses to deregulate entire sections of the housing market, to the detriment of local living conditions. See the United Kingdom example on page 19 of this paper.

Whether it is independent or supported housing, any such project must be based on a partnership with associations and local authorities, as well as with peer workers in order to meaningfully contribute to the wider housing strategy. Account must also be taken of the proximity of the property to services such as transport, supermarkets, healthcare, and other resources that support health and housing. These issues are also important considerations in rural areas where access can be even more difficult.¹²

The targeted acquisition of vacant buildings by municipalities is a **planning strategy** used in a wide variety of local contexts: in **Los Angeles**, when choosing which properties to buy, the housing authority first looked at 'problem properties', i.e. properties flagged by building services or city attorneys as needing, for example, to be upgraded. For Hilde T. Remøy and Theo J.M. van der Voordt of the University of Delft in the Netherlands,¹³ the conversion strategy (in this case, from unoccupied office buildings) can effectively address social problems for the community, such as vandalism, dereliction and dilapidation of a building and, by extension, of a local area. The authors of this study analysed what makes a project attractive and profitable, resulting in two key principles: a **long-term investment horizon and the social benefit**.

Among the many consequences of the pandemic is the change in working practices and the normalisation of remote working has led to **office buildings lying empty**. If they remain empty, they could be ideal spaces to transform into housing, in city centres where there is a lack of available properties. In **Germany**, an **alliance of associations** has been calling on the government to

convert offices into apartments. The National Tenants' Association, IG Bau (the construction sector's trade union), Caritas, the German Masonry Construction Association, and the German Building Materials Association have called for the conversion of empty office blocks into housing as an effective way to combat the lack of housing. According to their calculations, 235,000 apartments could be built in this way for just one-third of the cost of new builds. Furthermore, nine million tonnes of CO₂ would be saved. Due to the low cost of conversion, these properties are particularly well suited to addressing the serious shortage of social and affordable housing. According to the alliance, there was a shortage of 600,000 apartments in Germany at the end of last year.

In **Amsterdam**, the '**285 Studenten Now**' project is an interesting example of converting an office building into student social housing.¹⁴ The building, constructed in 1964, comprised 12,000m² of offices, meeting rooms, a canteen and underground bike parking. Vacant for several years, the municipality decided to convert it into student housing in 2012, with two objectives: addressing the housing shortage and regenerating the area. Knevel Architecten was chosen to carry out the conversion. The project was integrated into the existing building with some adaptations such as extra windows on the north and south façades for greater natural light, improvements to sound-proofing, improvement in the external design of the building, installation of laundry facilities in the basement, and the main entryway was moved so that the building is better integrated into the surrounding area. The building is now home to 285 students (80 in two-room apartments, 187 in private studios, and 18 students in 'penthouses' on the top floor).

12 National Low Income Housing Coalition, *Covid 19 - Homeless System Response: Hotel/Motel Acquisitions for Permanent Housing* <https://files.hudexchange.info/resources/documents/COVID-19-Homeless-System-Response-Hotel-Motel-Acquisitions-for-Permanent-Housing.pdf>

13 Remøy H. & Van der Voordt T. (2007), *A new life: conversion of vacant office buildings into housing* https://www.researchgate.net/publication/235289905_A_new_life_Conversion_of_vacant_office_buildings_into_housing

14 <https://archello.com/project/transformation-of-an-office-building-to-student-housing>

In **France**, the **Caracol** association uses vacant housing to create **co-living spaces** and temporary housing that brings together local people and refugees.¹⁵ To this end, it has converted office space made available by the Société du Grand Paris (a French government body) into co-living spaces in Le Perreux sur Marne. 150m² of office space was renovated to house five people on a temporary three-year lease and it took just two months from the first visit until the site was opened (this was made possible by a community volunteering project). The site is led and managed by Caracol, while the personalised social support is provided by the association Habitat et Humanisme.

THE IMPORTANCE OF LOCATION: WHICH REGIONS WILL MOST BENEFIT FROM CONVERSION PROJECTS?

The location of a conversion project should be analysed at the very outset on the basis of alignment between local need for housing (what type of housing?) and the availability of convertible multi-unit structures (what type of structure? hotels, offices, emergency shelters, gyms?). This is mainly relevant to urban areas with a tight property market, where the lack of affordable housing is critical and where the fall in tourism and economic activity during the pandemic opened up opportunities for upcycling buildings. In less urban areas or shrinking regions, such projects can make sense in that there are many vacant buildings with potential for conversion. However, the challenges in terms of costs, partnerships and access to services are significant and may require specific expertise.

See FEANTSA & Fondation Abbé Pierre (2021), *Living well with shrinkage - Challenges and opportunities for housing in shrinking regions*, <https://www.housing-solutions-platform.org/>

2. Financial feasibility: studying the investment opportunity and planning the financial model

The local context must be analysed in order to evaluate the purchasing opportunity and the financial model (taking into account cost of purchase, renovation, management fees, and potential costs related to support needs, etc.).

In terms of financing, the **'NextGenerationEU' recovery plan** as well as the **European Cohesion Fund** can be leveraged for these conversions. The European Regional Development Fund (ERDF) enables investment in infrastructure, particularly to support the transition from emergency management towards integrated strategies to eradicate homelessness. The former Fund for European Aid to the Most Deprived (FEAD) has been integrated into the ESF+: material assistance will still be possible through this section of ESF+, along with support measures and social inclusion measures for the most deprived. The funds can be combined with investments from the 'NextGenerationEU' recovery plan.

In **Los Angeles**, the **'Homekey'** project demonstrates the importance of **weighing up the financial investment required for the conversion, along with the purchase price**. It also includes as a criterion in the decision-making, the building's capacity to be rapidly converted (e.g. buildings already fitted with kitchens, already designated as residential, etc.). In November 2020, LA County in the state of California committed to investing in this model and started to acquire hotels to proceed with their emergency accommodation project, 'Roomkey'. The idea was to convert temporary motel units into provisional housing, that would then become permanent and long term. The goal of the project is to combat homelessness by providing not just a permanent home but also services such as health

¹⁵ <https://caracol-colocation.fr/>

and employment supports, and to prevent people who had been in emergency housing due to the pandemic from returning to the streets (the 'Roomkey' project). The initiative, firmly led by the Governor of California, received federal funding. To implement the 'Homekey' project, the City of Los Angeles' housing service acquired 20 properties: 16 motels, two multi-family buildings, one coop living building, and one nursing home, for a total cost of USD 238,032,553. Thanks to the strong political will involved, the project got this housing ready for use within four months.¹⁶ Jenny Scanlin, who was responsible for building acquisition, emphasises the need to budget for the cost of upgrades. Are commercial standards equivalent to residential standards? Does the purchase become prohibitively expensive when conversion costs are added (accessibility, fire regulations, etc.)? The Californian experience has also shown the difficulty of insuring the building once it is converted. In Los Angeles, a special procedure needs to be instigated to force insurers to insure the project because, according to Jenny Scanlin, 'insurers hate the programme'.

In **England**, the association **St Mungo's** has largely closed its hotel-based housing and has chosen to **rent rather than buy**, in order to limit the risk in terms of asset management. Petra Salva, Director of rough sleepers, ex-offenders and migrant services at St Mungo's, recommends using large buildings: 'smaller properties cost too much in terms of operational costs, a building with many bedrooms allows for economies of scale'. Nonetheless, she recognises that a smaller building is undoubtedly better for providing social supports. Jenny Scanlin in Los Angeles also highlights the importance of **economies of scale** and recommends against buying small hotels. For Mauro Striano, Project Manager at **Bruss'help**, available

funds must be taken into consideration from the outset. In Brussels, the budget for housing solutions for homeless people is too small to envisage purchasing and transforming buildings. It is vital to **adopt a long-term investment strategy**, similar to how Housing First receives investment in Finland. In this way, financial difficulties caused by funds only being granted for the length of a political mandate or even for a single year could be overcome. Continuity and sustainability in financing such projects are vital conditions to their success.

Another significant financial decision is whether residents are accepted on an unconditional basis. For Jenny Scanlin in **the United States**, it is absolutely necessary to **make residents pay rent based on housing assistance or available welfare**, in order to ensure the financial viability of the project. The issue is not a simple one however because often those most in difficulty are in this position because of their administrative status, which means they cannot access social supports and housing because they, for example, are not legal residents.¹⁷

Still in the United States, the **Champlain Housing Trust**, a Community Land Trust in Vermont has in the last number of years increasingly focused on buying motels to convert them into temporary accommodation, medical respite homes, and permanent housing (including units in supported housing). The purchase costs and the conversion were covered by the Community Land Trust, which receives funding for tenants from local housing authorities. It is in fact the **hospital services that are financing on-site support services**. The health crisis has led to public authorities becoming interested in these initiatives: the state of Vermont adopted a budget of USD 190 million to invest

¹⁶ For more information:

<https://www.housing-solutions-platform.org/single-post/project-homekey-in-los-angeles-turning-hotels-into-housing-for-the-homeless>
https://planning.lacity.org/ordinances/docs/InterimMotelConversion/Background_and_FAQ.pdf
<https://calmatters.org/housing/2020/06/motel-conversion-homeless-housing-california/>

¹⁷ 'The previous government had launched a three-year plan to reduce hotel nights which ended in failure despite the fact that the growth in use of hotels has slowed and that alternative solutions for housing and accommodation have been developed. According to parties involved in that project, one explanation for the failure is simple: a significant number of the homeless families accommodated in the hotel (50% on average) did not have residency status and therefore had no legal access to housing, even in boarding houses or rental intermediation.' Démoulin N., *Conclusions du groupe de travail sur l'hébergement d'urgence* [Conclusions of France's working group on emergency accommodation], French National Assembly, available [in French] at: <https://www2.assemblee-nationale.fr/content/download/78263/801263/version/1/file/Conclusions+GT+H%C3%A9bergement+-+M.+D%C3%A9moulin.pdf>

in affordable housing, through which these projects can receive funding.¹⁸

It is important to remember that the **transition to permanent housing brings long-term human and financial benefits**. There has been a steep increase in public spending on emergency accommodation in most European countries over the last decade.¹⁹ From March 2020, the rise in emergency accommodation beds during the pandemic has further increased costs. Petra Salva puts the average cost of emergency accommodation in a hotel in London or the south of England during the crisis at GBP 35 per person per night (EUR 41 approximately) which, along with accommodation, includes the cost of food and security. According to Mauro Striano of Bruss'help, the cost of hotel accommodation (including social support) is about EUR 45 per person per night. However, according to some associations, the true figure is closer to EUR 65 when adequate support is provided. Different regions have different costs with Jenny Scanlin, Chief Strategic Development Officer at Los Angeles Housing Authority and lead on the Homekey project, noting that the price of using a hotel in Los Angeles as emergency accommodation is USD 89 per person per night to which another USD 80 can be added for operational costs (such as food, bedlinen, security, etc.) bringing the total to USD 169 per person per night (EUR 144 approximately). Emergency accommodation is therefore a significant cost to public authorities and it is increasing, not least because of the pandemic. **Purchasing hotels and other multi-unit structures is therefore justifiable from a financial point of view**, when considered in the long term, with the aim of increasing the publicly owned property available and addressing the lack of housing supply, to rapidly establish permanent and high-quality solutions for people in need.

3. Focusing on the views and needs of beneficiaries: the profile of future residents is key

Any project whose goal is to provide housing to people in difficulty absolutely must invest time in working upstream on evaluating the **needs** of those concerned and on **including them in the development process** and project implementation. In **the United States**, the **CSH (Corporation for Supportive Housing)** offers a two-part guide²⁰ detailing the factors to consider in developing a conversion project and in acquiring the buildings. This guide emphasises the importance of clearly defining, from the outset and in communication with future users, **the needs and goals of the households being rehoused**: 'Learn about the strengths they bring to their situation and ask them what they need most: today, as they move out, and long term.' In Los Angeles, one of the factors for success demonstrated by the **Homekey** project was setting out, from the beginning of the project, goals to combat discrimination.

Are the available housing units actually **permanent**, leased through **individual contracts** that give **tenants rights and responsibilities, without being conditional upon sobriety or receiving treatment**? A recent paper by Roebuck & al., 'A study of the creation of affordable housing for Housing First tenants through the purchase of condominiums',²¹ drew up a list of criteria indicating satisfaction with housing in order to analyse the adapted housing being offered to users. The list includes criteria such as the affordability, level of independence offered by the housing, freedom to receive visitors, proximity to shops and public services, safety of the building and neighbourhood, respect for private life, etc. To this can be added the size of the housing unit, whether there is clear separation between the housing

18 National Housing Conference, *It Works: Converting Motels and Hotels into Affordable Housing*, Webinar on 17 June 2021, presentation by the Champlain Housing Trust – 'Housing is Health', available at: <https://nhc.org/wp-content/uploads/2021/06/Champlain-Housing-Trust.pdf>

19 According to the NGO, Shelter, in 2018/19, local authorities in England spent GBP 1.1 billion on temporary housing, a sum that had risen 78% over the preceding five years. In Ireland, expenditure on the provision of temporary and emergency accommodation for homeless people increased 19% reaching EUR 170 million in 2019: <https://www.thejournal.ie/homeless-dublin-hotels-cost-5017050-Feb2020/>.

20 Corporation for Supportive Housing "From Hotel to Home" series: <https://www.csh.org/resources/from-hotel-to-home-the-road-ahead/>

21 Maryann Roebuck, Tim Aubry, Ayda Agha, Stéphanie Manoni-Millar, Lisa Medd & John Sylvestre (2021): A study of the creation of affordable housing for Housing First tenants through the purchase of condominiums, Housing Studies, available at: <https://doi.org/10.1080/02673037.2021.1900549>

(security and permanency of the lease) and social and health services offered, the housing design (colour, architecture), the availability of communal spaces, etc.

Taina Hytönen, of **Finland's Y-Foundation** notes the importance of setting out what the **support needs** will be, as part of the project objectives. A rehousing project for homeless families with financial difficulties will not be the same as one aiming to rehouse victims of domestic violence. It must be clear whether the project aims to provide just housing, or housing with additional supports. The conversion of multi-unit housing seems more adapted to creating independent housing with supports available on demand. However, supports come at a price and this must be assessed and planned from the preparation phase of the project. The target population for the project must be clearly defined, along with how the project will be able to address these people's needs regarding access to transport, employment, social integration, etc.

In **England**, the provision of housing for homeless people during the pandemic as part of the **'Everyone In'** programme²² went hand-in-hand with studying and researching of the people involved. The think-tank Architects Aware²³ assessed the needs of various groups of homeless people excluded from the Everyone In programme, in order to offer housing solutions adapted to the individual. For long-term homeless people, housing converted from care homes, guesthouses, and hotels were considered to be most suitable for creating supported housing units. Young homeless people who need study space and significant social supports may benefit more from the layout of student accommodation or single terraced housing. Work ready homeless, for their part, consider the priority to be central location and affordability. This study led to the development of construction plans for prefabricated and off-site modular components to be used to convert offices, commercial buildings and vacant pubs to rapidly provide accommodation to the homeless people who took part in the study. The designs created by the architects show how individual sleeping spaces, shared kitchens, and supporting facilities could be built.

²² See National Audit Office UK (2021), *Investigation into the housing of rough sleepers during the COVID-19 pandemic*, p.21, available at <https://www.nao.org.uk/wp-content/uploads/2021/01/Investigation-into-the-housing-of-rough-sleepers-during-the-COVID-19-pandemic.pdf>

²³ <https://www.architectsjournal.co.uk/news/blueprints-published-for-converting-pubs-and-offices-to-house-homeless>

02

Basic Needs:

A place to sleep



Secure Room



Postal Address



Central Location



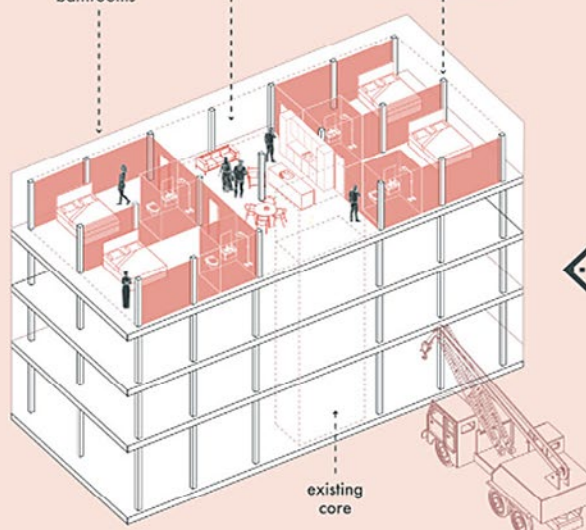
Community Offering



individual rooms with bathrooms

communal kitchen

accommodation installed around the existing structure



Ensuring Design Quality:



Prioritising natural light and space



Maximum no. of residents limited per floor



Designed within the existing structure



Designed to suit tenancy of 1-2 year



Rooms built off-site as pods and delivered

Design study to consider the conversion of small commercial properties to provide accommodation for 'Work Ready' Homeless Amos Goldreich Architecture

Source: Architects Aware - Design by Amos Goldreich for conversion of commercial property to accommodate homeless

Clearly defining the target population and their needs is vital for:

- Providing adapted and adequate housing in terms of size, accessibility, facilities, furnishings, location, etc.
- Assessing the project needs in terms of social support (if such support is necessary), which body will provide it and how often, how it will be provided and at what cost.
- Anticipating the potential challenges of the project: for example, planning risk reduction measures for people

with drug and alcohol addiction problems; and even planning solutions to combat solitude and loneliness, which was a recurring theme for homeless people when it comes to independent housing units.²⁴ The above-mentioned study by Roebuck et al. documents this risk, reported by several service users and social workers, linked to transitioning from congregate emergency accommodation to independent housing. Some clients, according to the authors of the study, are 'simply not ready to live alone'. Partnerships with local organisations – cultural or artistic – could for example be envisaged to mitigate this risk.

24 <https://thelocal.to/the-cost-of-a-stay-at-a-shelter-hotel>

II. THE CHALLENGES OF TRANSITIONING FROM EMERGENCY TO LONG-TERM HOUSING

1. Overcoming legal and technical barriers

Converting hotels and multi-unit buildings often brings, in addition to financial and social issues, technical and administrative problems. The alterations to the building must be in compliance with building regulations, particular with regard to insulation, soundproofing, fire protection, means of evacuation, ventilation and access, etc.

A significant legal difficulty that often arises according to project promoters is **changing a building's designated use from commercial to residential**. Non-renewal of the trading licence of a hotel, which nonetheless is paid for as part of the purchase price, represents the loss of an asset which can be particularly costly to these publicly funded operations. As part of the French recovery

plan, the **DRIHL (Regional and Interdepartmental Directorate of Housing and Accommodation) in Ile-de-France** launched a trial measure to take over hotels to create boarding houses and aparthotels for social purposes. EUR 10 million was allocated to this measure for 2021 and 2022. According to Guillaume Voisard, Deputy Head of Department for Housing and Accommodation at DRIHL, there are two objectives: creating permanent housing for people in need and reducing expenditure on hotels which had increased significantly during the pandemic. As such, two projects are currently underway converting hotels into boarding houses in the 16th and 13th arrondissements of Paris, in partnership with two housing corporations, Paris City Hall, and the councils of the arrondissements involved. A development like this of a 30-bedroom boarding house²⁵ requires funding of EUR 5 million, with a subsidy rate of 55%.²⁶

FOCUS ON THE BOARDING HOUSE MODEL

A 'boarding house' is an adapted, stable (permanent), small housing unit combining independent private living space with shared spaces and offering support where needed mainly through 'hosts' who are there on a daily basis.

The status of boarding houses was formalised in France in 1997; then in 2006, two other forms of boarding houses (for specific sections of the population) were established – boarding houses for older people and boarding houses for people with mental health problems. The idea is to facilitate independent living and to provide the necessary support to a vulnerable population through social interactions and organising group activities like shared meals. Those running the boarding house guarantee support to residents in their individual journeys and facilitate links with the necessary support services (social services, healthcare, etc.). They also offer group activities and organise the collective daily life of the house.

In France in 2019, the government decided to create boarding house provision for 10,000 people as it considered the boarding house model the most suitable for housing and supporting the most marginalised homeless people.

The conclusions of the National Assembly's working group on emergency accommodation noted the main barrier to developing more boarding houses as 'the lack of available properties and the difficulty creating viable building programmes'.

For more information: <https://www.fondation-abbe-pierre.fr/nos-actions/accueillir-et-loger/les-pensions-de-famille-de-la-fondation-abbe-pierre>

²⁵ To find out more about boarding houses, see the box below.

²⁶ Interview with Guillaume Voisard on 22 July 2021, Deputy Head of Department for Housing and Accommodation at DRIHL, and see [in French] <https://www.economie.gouv.fr/plan-de-relance/profils/entreprises/dispositif-rachat-hotels-residences>

In cases where only a hotel's commercial licence is being sold, and not the walls, conversion into long-term housing is not possible as **the lease is still commercial**. The DRIHL therefore launched a trial measure to convert such structures into RHVS (aparthotels for social purposes), which are considered temporary accommodation. Added to the takeover costs are the cost of renting from the owner, as well as the – still legally uncertain – issue of whether prior agreement is needed with the owner on setting up an RHVS in their building. To remove the legal barriers, the DRIHL has worked on adopting a trial decree in Ile-de-France to enable these projects to receive direct subsidies. A project to convert a hotel into an RHVS for the common good is ongoing in the 11th arrondissement of Paris, in partnership with a promoter association, the state, City Hall and the relevant local council, and the SIAO (Integrated reception and orientation services). The goal is to provide homes on the basis of monthly leases for young people in need of housing, who are in receipt of the Youth Guarantee or are undertaking training in Ile-de-France, with the flexibility to accept other sections of the population experiencing difficulties.

In **New York**, a group of researchers, activists and rights defenders are coming up against **urban planning laws and land use plans** that limit opportunities for creating residences in areas where the hotels are located. These regulations are all the more difficult to change according to Deborah Padgett, a Professor at New York University, because of how property development has been privatised. Private developers are desperate to seize these vacant properties for profit. The **legislative**

route was recently taken in New York to facilitate the conversion of commercial buildings into affordable housing: in March 2021, a law was drafted enabling the state to buy commercial buildings in financial difficulty and to convert them into housing for those on low incomes and homeless people. The draft law, if approved, would allow the state to buy and convert office buildings (class B & C) and hotels that are for sale (with maximum 150 rooms)²⁷. As part of this measure, hotels and offices can be designated residential if the owner agrees that 20% of the apartments will be affordable, or if the property is used for supported housing under contract with the state or the city.²⁸ In **Los Angeles**, legislation was amended during the pandemic to enable conversion of motels into supported and permanent housing for homeless people. A new interim order on converting motels enables project promoters to modify the motels to create kitchenettes, communal kitchens, and spaces for support services. However, no extra units can be added and the surface area and height of the building cannot be increased. It is expected that the buildings will return to their former use once the housing contract, signed by the owner and the project promoter, expires.²⁹

At European level, the insulation, architectural, and aesthetic qualities of residential buildings are centre stage, as a result of the European Commission's proposed **Renovation Wave**.³⁰ The conversion projects described here should be given their rightful place as initiatives transforming the existing architecture and built environment to create affordable and permanent housing for people in difficulty.

27 https://realestateblog.localsocialpro.com/news/?id=2253865411502789&aid=aKcdSvMHt1p/blqDY4RVDV/U6wLa0SSns5gjFHx2qi4=_178dcelc43d:36ca84:14c5a0c7

28 <https://therealdeal.com/2021/01/20/state-proposes-zoning-override-for-commercial-to-resi-conversions/>

29 USC University of Southern California (2019), *Housing Typologies Toolkit*, pp. 29-30, available at: <https://homelessness.usc.edu/wp-content/uploads/sites/2/2019/09/USC-Housing-Typologies-Toolkit-R7-1.pdf>

30 See [in French] <https://www.horizon2020.gouv.fr/cid154869/presentation-de-la-strategie-de-la-commission-europeenne-vague-de-renovation.html>

2. The risk of deregulation, and its implications for quality

Depending on the jurisdiction, amendments to rules and standards on housing and urban planning may be necessary to facilitate these conversion projects that are breaking new ground when it comes to housing policies. However, loosening regulations carries a **significant risk** of encroaching on - or even invalidating - **criteria related to the quality and location of housing** which are, of course, essential for the wellbeing and social inclusion of future residents.

The example of Harlow in **England** demonstrates the potential pitfalls. An office building called **Shield House** in Harlow was converted into housing in a commercial zone. It resulted in cramped, poorly insulated housing units that are unsuitable for families and where it is, at times, unsafe. The people who were housed there found themselves wrenched from their social networks ('sometimes it takes two hours or more and £50 to go back to see family and friends') and struggling to find work due to the distance. These housing units were created rapidly by the local authority who were overwhelmed with demand. Shield House is one of many examples of '**permitted development**' in England, resulting from the **deregulation** that the housing market has undergone in recent years, which enables housing to be built out of former offices and retail units without planning permission or a building permit. It is believed that 65,000 apartments have been built in this way. The Harlow project is seen as catastrophic by many but the government has chosen to double down on this policy to the extent that office buildings can now be entirely replaced with brand-new buildings without the need for permits. Under-sized, poorly planned apartments in particularly isolated areas can now be developed on a much larger scale.³¹

The **New York law** on converting commercial buildings into affordable housing also means that residential conversions are being incentivised by the opportunity to bypass local zoning restrictions. Developers of these conversions would not be obliged to meet standards regarding light and air for example.³²

While the loosening of planning and construction standards are attractive ways to incentivise various stakeholders to get involved in these conversion projects, **safeguards** must be maintained and the importance of quality criteria cannot be underestimated, particularly with regard to surface area, light, air circulation, heating, accessibility, etc.

3. Social obstacles: 'Not In My Backyard'

Beyond financial risks, a significant risk that may arise when converting multi-unit buildings is **the project not being accepted by the local community**. There is potential risk of opposition from sections of the public that are not eligible for the housing but nonetheless are themselves experiencing housing exclusion. It is important to ensure that these projects are part of a **wider strategy to combat housing exclusion** in a given area, that is not limited to the target groups. The engagement of all stakeholders in the local communities is also essential to promote the project's acceptance before and during implementation phase. The possibility of providing new green spaces to the community could be useful in encouraging cooperation. Acceptable solutions must be offered to employees of the hotels purchased, given that the buyer will be a public body.

31 <https://www.theguardian.com/society/2020/sep/27/housing-crisis-planning-converting-office-blocks-homes-catastrophe-jenrick>

32 <https://therealdeal.com/2021/01/20/state-proposes-zoning-override-for-commercial-to-resi-conversions/>

THE EXPERIENCE OF THE COUNCIL OF EUROPE DEVELOPMENT BANK (CEB): BUDGET AND CLIMATE RISKS

The CEB's experience is that transformation projects often face escalating costs during the implementation process. They recommend setting up **a significant contingency fund** and **keeping some funds in reserve** in case the planned budget overruns. This is a particular risk if there are significant delays between the initial market analysis and the signing of contracts, given that property prices and renovation costs may have increased in the meantime and that unexpected costs are often added to the final bill. Before undertaking large operations, local authorities should design pilot programmes by buying and renovating some buildings on a smaller scale and thereby acquire the experience needed for implementing larger projects.

Another significant issue that should be considered when transforming buildings is **climate risk**. These risks must be assessed and considered in the technical plans for redeveloping the buildings, in particular the extreme temperature changes expected in future summers and winters. Specific actions must be designed to reduce the future housing's vulnerability to climate change. Plans to reduce energy expenditure should be included in the design phase of projects in line with best international practice. The energy efficiency of transformed buildings should also comply with climate change mitigation strategies.

The majority of cities and organisations with which FEANTSA and the Fondation Abbé Pierre were in contact in the preparation of this report have had the same experience. Namely, hesitation on the part of hotel owners to make their hotels available for the accommodation of homeless people, a hesitation that is often shared by the local community (either the neighbours or the municipality itself). In the projects analysed, hotel owners are often more difficult to convince than expected. Very often, they were of the opinion that the pandemic was a passing crisis, and were optimistic as to reopening as before. Financially, they were relying on the government supports available to balance their losses. In terms of the property market, prices were less affected than one might think with property seeming a safe investment in times of unprecedented crisis.

After property owners, the approval of the community is the next issue. Local opposition to a project can

lead to failure, delays, or increased costs. The article '**Overcoming NIMBY**'³³ offers food for thought in rallying various project stakeholders and **highlighting the added value** of the project beyond the benefits provided to direct users. The idea here is to promote the benefits of the project to beneficiaries in the widest sense, for example construction workers, suppliers, those installing the new fittings, owners of the site of the proposed project, retailers who will sell goods and services to the new workers, etc. It is also about understanding the reasons for the opposition and addressing these issues.

The **Los Angeles** example provides another strategy – although it may be difficult to apply in Europe – based on **strong political will**, at state and federal level. Once the decision has been made in California on a project and the relevant financing adopted, a pre-approval mechanism is established, which in turn prevents any opposition to the project development.

33 <https://gcastrategies.com/overcoming-nimby-opposition/>

CONCLUSIONS AND RECOMMENDATIONS

When it comes to combatting homelessness and housing exclusion, the pandemic has been a game changer. At the very moment when property vacancy was being identified by public authorities as a potential source of affordable housing,³⁴ several initiatives in the United States and Europe have shown that it is possible to transform under-used buildings, whether they are congregate emergency accommodation, hotels, or office buildings into long-term, dignified housing for people in need. The success of these projects is conditional upon the following criteria: the needs and views of final users must be the starting point in any conversion strategy; the goals and responsibilities must be clear and shared within a strong partnership; the legislation and competent authorities must facilitate the technical implementation of these projects; and the quality of the housing units proposed is key.

In Europe, the emergency accommodation system fulfils a role that it should not have to. Systematised emergency accommodation is a reactive response to homelessness (neither curative nor preventive), that is disorganised (without strategy) and disjointed (not continuous). The usefulness of dedicated emergency accommodation is not in question here; it is the widespread and institutionalised use of emergency accommodation as the main system of response to homelessness that needs to be challenged. If we genuinely want to reduce and eliminate homelessness in Europe, this system must be based on providing everyone with access to dignified, adequate, and long-term housing. The conversion of non-residential multi-unit buildings (emergency accommodation centres, hotels, office buildings, etc.) is not an end in itself but rather a means of rapidly accessing available property and facilitating a large number of housing units. It is a means for implementing a wide variety of housing models, such as Housing First, supported housing, boarding houses, cooperative housing, social housing, co-living, etc.

On the basis of research carried out for this report, FEANTSA and the Fondation Abbé Pierre along with the Council of Europe Development Bank offer the following recommendations to cities and organisations interested in carrying out a conversion programme:

1. **Make the conversion programme part of an overall objective to create adequate housing**, whereby users can choose between independent housing and supported housing, rent is not financially excessive, and there is security of tenure.
2. **Ensure the insulation, environmental, and aesthetic quality** of the housing created.
3. **Design the programme in terms of long-term objectives**, on a model similar to Housing First, based on long-term investment (and return on investment), while also taking into consideration the savings made in terms of health and social costs, and rejuvenating certain areas or vacant buildings.
4. **Design the programme in cooperation with a wide network of stakeholders**, including users, social services, healthcare services, associations and the local community, etc. Competent local authorities and NGOs must play a part in the decision-making process and/or implementation of the programme, in order to advocate for the public interest and to avoid risk of private interests co-opting the project for speculative gain.
5. **Clearly establish users' expectations and needs**, in order to devise the support services and plan for the related costs and organisational requirements.
6. **Draw up the budget in a holistic and realistic manner**, i.e. in addition to purchase costs, make provision for renovations, upgrading to standard, planning permission, change of use, and costs linked to follow-up and support of vulnerable people.

³⁴ In Brussels, for example: <https://www.brusselstimes.com/brussels/177379/brussels-to-put-funding-towards-using-empty-buildings-for-temporary-housing/>



**ACCESS TO DECENT AND AFFORDABLE HOUSING IN EUROPE:
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